NEWS FROM ED MARKEY

United States Congress

Massachusetts Seventh District

FOR IMMEDIATE RELEASE October 13, 2004

CONTACT: Mark Bayer Jeff Duncan (202) 225-2836

HOMELAND SECURITY DEPARTMENT CONCEDES FLAMMABILITY OF LNG TANKER INSULATION

"We need answers before new terminals are approved," warns Markey

WASHINGTON, DC – Representative Edward J. Markey (D-MA), a senior member of the House Homeland Security Committee, today released a letter from the Department of Homeland Security (DHS) informing him that, contrary to an earlier letter, liquefied natural gas (LNG) carriers <u>do use</u> a highly flammable substance, polystyrene, to insulate their cargo. The DHS letter came in response to a Rep. Markey's earlier challenge to the Department that its safety claims about LNG carrier vessels appeared to be based on erroneous information.

"I'm concerned that neither the Coast Guard nor the Homeland Security Department have focused enough attention on the potential vulnerability of LNG vessels to terrorist attack, and the fact that they were unaware that many LNG carriers use a highly flammable insulating material until I informed them of this fact is not particularly encouraging," said Rep. Markey.

Rep. Markey added, "We need to have a much better technical understanding of the hazards that a terrorist attack on LNG tankers could pose to the public, particularly as our region may be moving towards increased reliance on LNG to meet New England's energy needs. Understanding what could happen in the event that LNG is targeted by terrorists can help us make better decisions about security at existing LNG facilities, such as the Everett terminal, and about the feasibility of siting any new facility."

In the letter Rep. Markey released today, Homeland Security Assistant Secretary for Legislative Affairs Pamela J. Turner, stated that "DHS' previous statement that foam polystyrene insulation was not used on LNG carriers was incorrect." Turner went on to state that "there is no U.S. mandated standard for LNG carrier cargo tank insulating material," but that all vessels are required to meet international safety codes.

DHS also reported that "two of the most popular materials used to insulate LNG cargo tanks, polyurethane and polystyrene based foams, are used because they are especially well suited to maintaining the cargo at cryogenic temperature under ambient conditions. However, the chemical and physical properties that make these materials desirable as a cryogenic insulator render them undesirable as an insulator from the radiant heat that could be expected from an LNG pool fire that might result from the breach of a cargo tank." The DHS noted that a study currently underway by the Department of Energy's Sandia Laboratory "is expected to examine how the cargo tank insulation would perform under

an extreme fire load, and the degree to which insulation decomposition could affect the survivability of undamaged cargo tanks."

Rep. Markey concluded, "I've been hearing for months that the Sandia study is supposed to provide answers to this and other questions that I've been raising about LNG safety, but this report is now long overdue. We need to have these safety questions answered now, before the FERC approves any new LNG terminals in New England, and we need federal regulators to start putting more emphasis on ensuring that the public safety issues associated with LNG are being properly addressed."

Copies of the letter Rep. Markey released today can be found at www.house.gov/markey.